

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02351A
Picacho Peak Water Company
28784 Stonehenge Dr.
Chesterfield, MI 48047



RECEIVED

ARIZONA CORPORATION
UTILITIES DIVISION

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

A-307 RF

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>Picacho Peak Water Company</u>		
Mailing Address <u>28784 Stonehenge Drive</u>		
<u>Chesterfield</u> (City)	<u>Michigan</u> (State)	<u>48047</u> (Zip)
<u>(520) 250-1159</u> Telephone No. (Include Area Code)	<u>(586) 421-5036</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address <u>dbechamp@comcast.net</u>		
Local Office Mailing Address _____		
_____ (City)	_____ (State)	_____ (Zip)
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>Bill McCabe</u>		<u>President</u>	
(Name)		(Title)	
<u>150 Louisiana NE</u> (Street)	<u>Albuquerque</u> (City)	<u>NM</u> (State)	<u>87108</u> (Zip)
<u>1-888-240-7746-ext 213</u> Telephone No. (Include Area Code)	<u>(505) 266-9557</u> Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
Email Address <u>billm@bowlntc.com</u>			
On Site Manager: _____			
(Name)			
_____ (Street)	_____ (City)	_____ (State)	_____ (Zip)
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Steve Wone
 (Name)
1850 North Central Ave., Suite 1100, Phoenix, AZ, 85004
 (Street) (City) (State) (Zip)
(602) 604-2106 (602) 274-9135
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)
 Attorney: Moyes Storey
 (Name)
1850 North Central Ave., Suite 1100, Phoenix, AZ, 85004
 (Street) (City) (State) (Zip)
(602) 604-2106 (602) 274-9135
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|---|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input checked="" type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME Picacho Peak Water Company

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	2,860	0	2,860
304	Structures and Improvements			
307	Wells and Springs	29,200	27,422	1,778
311	Pumping Equipment	64,069	52,682	11,387
320	Water Treatment Equipment	375	375	0
330	Distribution Reservoirs and Standpipes	15,132	12,655	2,477
331	Transmission and Distribution Mains	86,389	61,891	24,498
333	Services	708	673	35
334	Meters and Meter Installations	4,862	4,149	713
335	Hydrants	15,870	15,542	328
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	6,603	5,060	1,543
	TOTALS	226,068	180,449	45,619

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Picacho Peak Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	2,860		0
304	Structures and Improvements			
307	Wells and Springs	29,200	3.64	1,062
311	Pumping Equipment	64,069	4.20	2,688
320	Water Treatment Equipment	375	2.40	9
330	Distribution Reservoirs and Standpipes	15,132	1.08	163
331	Transmission and Distribution Mains	86,389	4.16	3,595
333	Services	708	3.67	26
334	Meters and Meter Installations	4,862	5.02	244
335	Hydrants	15,870		0
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	6,603	6.67	440
	TOTALS	221,068	3.64	8,227

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME Picacho Peak Water Company

BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 12,012	\$ 13,409
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	3,502	6,618
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 15,514	\$ 20,027
	FIXED ASSETS		
101	Utility Plant in Service	\$ 226,068	\$ 226,068
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	172,222	180,449
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 53,846	\$ 45,619
	TOTAL ASSETS	\$ 69,360	\$ 65,646

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Picacho Peak Water Company

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 36,685	\$ 47,144
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 36,685	\$ 47,144
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 0	\$ 0
610	Purchased Water		
615	Purchased Power	3,394	4,333
618	Chemicals		
620	Repairs and Maintenance	0	0
621	Office Supplies and Expense	15	15
630	Outside Services	17,244	21,325
635	Water Testing	510	1,044
641	Rents		
650	Transportation Expenses		
657	Insurance - General Liability	1,697	1,620
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	75	75
403	Depreciation Expense	8,760	8,227
408	Taxes Other Than Income	64	55
408.11	Property Taxes	2,088 (Sales)	2,794 (Sales)
409	Income Tax	45	45
	TOTAL OPERATING EXPENSES	\$ 33,892	\$ 39,533
	OPERATING INCOME/(LOSS)	\$ 2,793	\$ 7,611
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 0	\$ 0
421	Non-Utility Income		266
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(3,264)	(3,078)
	TOTAL OTHER INCOME/(EXPENSE)	\$(3,264)	\$(2,812)
	NET INCOME/(LOSS)	\$ (471)	\$ 4,799

COMPANY NAME Picacho Peak Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	11-15-1979			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ 200,000	\$	\$	\$
Amount Outstanding	\$ 50,973	\$	\$	\$
Date of Maturity	2020			
Interest Rate	5.0 %	%	%	%
Current Year Interest	\$ 3,078	\$	\$	\$
Current Year Principle	\$ 2,014	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME	Picacho Peak Water Company
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
623405	10	64	12"			
623406	10	82	12"			

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5	2		
10	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
40,000	1	5,000	2

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Picacho Peak Water Company
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: <u>Picacho Peak Water Company</u>	
Name of System	ADEQ Public Water System Number (if applicable)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	14	616	616	
FEBRUARY	14	621	621	
MARCH	14	583	583	
APRIL	14	594	594	
MAY	14	667	667	
JUNE	14	597	597	
JULY	14	627	627	
AUGUST	14	522	522	
SEPTEMBER	14	499	499	
OCTOBER	14	551	551	
NOVEMBER	14	513	513	
DECEMBER	14	543	543	
TOTALS →		6,933	6,933	

What is the level of arsenic for each well on your system? 0.022 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☒ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☒ Yes ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Picacho Peak Water Company YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 0

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. Still in negotiation with Pinal
County over valuation.

VERIFICATION
AND
SWORN STATEMENT
Taxes

RECEIVED

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>Pinal</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Well Manager - Bookkeeper</u>
COMPANY NAME	<u>Picacho Peak Water Company</u>

BY CORP. COMM
DIRECTOR JIMMIE

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

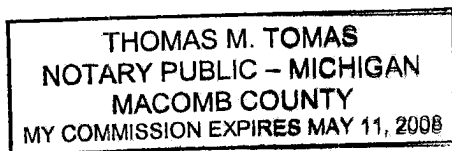
MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



LO Allen R Bechamp
SIGNATURE OF OWNER OR OFFICIAL

(520) 250-1159
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

28

DAY OF

COUNTY NAME	<u>Macomb</u>	
MONTH	<u>March</u>	<u>2007</u>

(SEAL)

MY COMMISSION EXPIRES

5/11/2008

[Signature]
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Picacho Peak Water Company YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 45

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0
Amount of Gross-Up Tax Collected 0
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

L Dawn R Bechamp
SIGNATURE

3/28/07
DATE

Dawn Bechamp
PRINTED NAME

Well Manager
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>PINAL</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Well Manager - Bookkeeper</u>
COMPANY NAME	<u>Picacho Peak Water Company</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 47,144

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 2,280
IN SALES TAXES BILLED, OR COLLECTED)

THOMAS M. TOMAS
NOTARY PUBLIC - MICHIGAN
MACOMB COUNTY
MY COMMISSION EXPIRES MAY 11, 2008

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Walter R. Bachman
SIGNATURE OF OWNER OR OFFICIAL
(520) 250-1159
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 28 DAY OF

(SEAL)

MY COMMISSION EXPIRES

5/11/2008

COUNTY NAME	<u>Macomb</u>	
MONTH	<u>March</u>	<u>2007</u>

[Signature]
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED

VERIFICATION

ARIZONA CORP. COMM.
Director Utilities

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	PINAL	
NAME (OWNER OR OFFICIAL)	Dawn Bechamp	TITLE Well Manager
COMPANY NAME	Picacho Peak Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 6,908

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 391
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Dawn R. Bechamp
SIGNATURE OF OWNER OR OFFICIAL

(520) 250-1159
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

28

DAY OF

NOTARY PUBLIC NAME	Thomas M. Tomas	
COUNTY NAME	Macomb	
MONTH	March	2007

(SEAL)

MY COMMISSION EXPIRES

THOMAS M. TOMAS
NOTARY PUBLIC - MICHIGAN
MACOMB COUNTY
MY COMMISSION EXPIRES MAY 11, 2008

Thomas M. Tomas
SIGNATURE OF NOTARY PUBLIC